- Government, through issue of Oil Bonds
- Public Sector Upstream Oil Companies, through price discounts to OMCs.
- OMCs to bear a portion of the under-recoveries, and
- Consumers, through minimal price increases.

The OMCs were issued Oil Bonds for Rs.71,292 crore towards under-recoveries on sale of sensitive petroleum products, namely Petrol, Diesel, PDS Kerosene and Domestic LPG during the year 2008-09, which improved their financial position.

Sale of natural gas for PMT

1740. SHRI VIJAYKUMAR RUPANI:
SHRI KANJIBHAI PATEL:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Panna Mukta Tapti (PMT) JV partners invited bids for sale of natural gas upto 4 MMSCMD from 1 April, 2006 from various companies;

(b) whether it is also a fact that GSPCL offered the highest price for gas amongst the bidders;

(c) whether the Gujarat Government has made any representation to Government to follow the rules of tender procedure and offer gas to GSPCL, since their bid was the highest; and

(d) what is Government's reaction to the representation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) The Production Sharing Contract (PSC) signed between the Government and the Joint Venture (JV) provides that the entire gas would be sold to the Government nominee.

However, during 2004-05, Government allowed PMT JV to directly sell 4.6 mmscmd gas, while the remaining about 6 mmscmd gas continued to be supplied to power & fertilizer consumers through GAIL. Further, it was decided that the position would be reviewed at the end of the year. In the meantime, perhaps on the understanding that the gas being marketed by GAIL might be released for direct marketing to JV from 2006-07, PMT JV solicited Expression of Interests (EoI) from prospective buyers to purchase gas up to 4 mmscmd from 1st April, 2006 for a period of two years with a caveat that the JV reserved the right to decide the quantity to be sold. As informed by PMT JV, GSPC and another buyer offered the highest price for this gas. The issue of continuing gas supplies to the power and fertilizer sector consumers by GAIL beyond 31.3.2006 was reviewed in the Ministry in March 2006 and it was decided that this arrangement needed to be continued for a further period of 2 years, *i.e.*, up to 31.3.2008, as then there were no alternative sources of gas supplies and any disruption in gas supplies would have resulted in idling of the existing assets in these important sectors.

Subsequently, it was decided in 2007 that, in accordance with the provisions of the PSC, all gas produced by PMT JV would be sold to Government nominee, *i.e.*, GAIL, from 2008-09. Accordingly,

the entire production of PMT JV is being supplied to GAIL from 1.4.2008.

(c) and (d) This Ministry had received through Prime Minister's Office a copy of the letter dated 8.3.06 addressed to the Prime Minister by Members of Parliament. As mentioned above, it has been decided in 2007 that, from 2008-09, all gas produced by PMT JV should be supplied to GAIL for marketing according to Government's directions.

Petroleum production in Rajasthan

†1741. DR. PRABHA THAKUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of locations in Rajasthan where the mining and production of petroleum products is likely to be started;

(b) by when the production of petroleum products is going to start and the places where such production would start; and

(c) the details of the share of State Government fixed by the Central Government in the profit earned from the production of the petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) Crude oil production from Block RJ-ON-90/1 in Barmer district of Rajasthan is likely to commence in the second half of the year 2009. Natural Gas production from Block RJ-ON-90/6 in Jaisalmer district of Rajasthan is likely to commence in the year 2010.

(c) State Government gets 100 % share of royalty on Crude Oil and Gas Production from the State. As per the Production Sharing Contracts, profit petroleum payments are received by the Union of India.

Petroleum production in Barmer

†1742. DR. PRABHA THAKUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) by when commercial production of petroleum is likely to be commenced in Barmer district of Rajasthan and at which site the production is expected to start;

(b) the details about the estimated amount of crude oil present there; and

(c) the details of percentage share in the profit earned through the production of oil and gas that Rajasthan would get?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) Crude oil production from Block RJ-ON-90/1 in Barmer Sanchor Basin in the district of Barmer in Rajasthan is likely to commence in the second half of the year 2009.

(b) Oil Initially In Place (OIIP) reserves in Barmer are estimated at 301.2 Million Metric Tonne (MMT).

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†Original notice of the question was received in Hindi.